



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

April 5, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on April 5, 2018:

HB 2027 alternative fuel special plates; veterans (Frieze)
HB 2031 spousal maintenance; significant contribution; reduction (Lawrence)
HB 2107 pharmacies; practices; pharmacy benefits managers (Syms)
HB 2153 campaign finance; nonprofits; disclosure (Leach)
HB 2248 incompetency; screening; sexually violent persons (Farnsworth, E.)
HB 2259 juvenile court facilities; shelters; use (Carter)
HB 2311 limited liability; employers; ex-offenders (Farnsworth, E.)
HB 2456 stadium district; extension; Rio Nuevo (Finchem)
HB 2503 building code exemptions; public notice (Barton)
HB 2545 EORP; cost-of-living adjustment (Livingston)
HB 2548 health professionals; continuing education; opioids (Carter)
HB 2647 internal revenue code conformity (Mesnard)
SB 1043 county recorder; recording fees (Kavanagh)
SB 1071 adoption; subsidy; review; nonrecurring expenses (Brophy McGee)
SB 1165 child care assistance; rates (Brophy McGee)
SB 1179 memorial; buffalo soldiers (Miranda)
SB 1203 vehicle towing (Worsley)
SB 1235 Native American day; state holiday (Peshlakai)
SB 1380 children; out-of-home placement (Petersen)
SB 1381 service contracts (Petersen)
SB 1396 group home beds; mentally ill (Barto)

SB 1397 behavioral health; dependent children; reports (Barto)

SB 1473 kinship care; aggravated circumstances; dependency (Barto)

Sincerely,

A handwritten signature in black ink, reading "Douglas A. Ducey". The signature is fluid and cursive, with the first name "Douglas" being the most prominent.

Douglas A. Ducey

Governor

State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed

FILED

MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 138
HOUSE BILL 2456

AN ACT

AMENDING SECTIONS 42-5031, 48-4202, 48-4203 AND 48-4204, ARIZONA REVISED
STATUTES; RELATING TO COUNTY STADIUM DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-5031, Arizona Revised Statutes, is amended to
3 read:

4 42-5031. Distribution of multipurpose facility revenues to
5 district

6 A. Subject to the requirements of subsection D of this section, if
7 a county stadium district is authorized by an election pursuant to section
8 48-4237, subsection E, paragraph 5 to use the amounts paid to the district
9 pursuant to subsection B of this section as permitted by law, then after
10 delivery of a resolution of the district board of directors requesting
11 payment, which resolution shall contain notice of the exercise of the
12 option to begin payments provided for in this subsection, the state
13 treasurer shall pay each month, beginning with the second calendar month
14 after the optional payment commencement event contained in the resolution,
15 from the amount designated as distribution base pursuant to section
16 42-5029, subsection D, the amount determined under subsection B of this
17 section to the district. Payments under this section shall continue until
18 July 1, ~~2025~~ 2035 or until the date all authorized debt service payments
19 are completed as provided by section 48-4203, subsection B, paragraph 3,
20 whichever date is ~~earlier~~ LATER.

21 B. The amount to be paid each month under subsection A of this
22 section is one-half of the amount of state transaction privilege tax
23 revenues received in the second preceding calendar month from all persons
24 conducting business under any business classification under this article
25 at a multipurpose facility site, or in the construction of a multipurpose
26 facility, the public or district owned components of which cost at least
27 two hundred million dollars to construct. In no event shall the amount to
28 be paid each month under this section exceed the net new state transaction
29 privilege tax revenues received from the multipurpose facility site as
30 compared to the revenues received in the same month during the twelve
31 months ~~prior to~~ BEFORE the month in which the public vote pursuant to
32 section 48-4237 is held. The amount paid to the district shall not exceed
33 the amount required to service the debts and obligations of the district
34 and to meet the purposes set forth in section 48-4204, subsection B.

35 C. The primary component, as described in section 48-4201, shall be
36 constructed during the first phase of the project.

37 D. To qualify for payments under this section, the municipality in
38 which the multipurpose facility site is located must either obtain voter
39 approval for a local transaction privilege tax to pay costs associated
40 with a multipurpose facility, or make a financial commitment by
41 intergovernmental agreement between the municipality and the district to
42 make direct payments to the district from any lawful source, including
43 municipal transaction privilege taxes or to expend monies for land,
44 infrastructure or other improvements directly related to the multipurpose
45 facility or the multipurpose facility site, by the end of the date

1 referred to in subsection A of this section in an aggregate amount equal
2 to the amount received by the district pursuant to this section.

3 E. If the municipality in which the multipurpose facility site is
4 located fails to satisfy the obligations of the municipality pursuant to
5 subsection D of this section, then beginning six months after the date
6 referred to in subsection A of this section, distributions otherwise
7 payable to the municipality pursuant to section 42-5029, subsection C
8 shall be reduced by an amount equal to the excess of the amount received
9 by the district pursuant to this section over the amount paid or expended
10 by the municipality. The amount of the reduction shall be distributed to
11 the district to satisfy the financial commitment of the municipality
12 pursuant to subsection D of this section.

13 F. To comply with the requirements of this section, the county
14 stadium district board of directors or any city or town that is part of
15 the county stadium district shall supply the department with all requested
16 information necessary to administer this section.

17 Sec. 2. Section 48-4202, Arizona Revised Statutes, is amended to
18 read:

19 48-4202. Formation of district; termination

20 A. The board of supervisors of each county having a population of
21 more than one million five hundred thousand persons or any county in which
22 a major league baseball organization has established or seeks to establish
23 a spring training operation may organize a countywide district to include
24 both the incorporated and unincorporated areas of the county, if the board
25 determines that the public convenience, necessity or welfare will be
26 promoted by establishing the district.

27 B. Two or more municipalities in the same county may organize a
28 district for multipurpose facilities if the governing bodies of the
29 municipalities determine that the public convenience, necessity or welfare
30 will be promoted by establishing the district. The district shall be
31 composed of the areas within the corporate boundaries of the
32 municipalities. After formation, the boundaries of the district shall not
33 be altered. A district may be established under this subsection in the
34 same county in which a district is established under subsection A of this
35 section. A district formed pursuant to this subsection shall be deemed a
36 county stadium district for the purposes of this chapter. Notwithstanding
37 any other law, a district may not be organized under this subsection from
38 and after October 31, 1999, except that a district may be organized under
39 this subsection after October 31, 1999 if before that date the governing
40 body of two or more of the municipalities identified the location of a
41 multipurpose facility site and has voted with the purpose of forming a
42 district for multipurpose facilities under this subsection.

1 C. The board of supervisors of any county in which a state
2 supported university is established may organize a single university
3 athletic facilities district if the board determines that the public
4 convenience, necessity or welfare will be promoted by establishing the
5 district. The district shall include only the area in the county within
6 the contiguous exterior boundaries of real property owned by the Arizona
7 board of regents and shall exclude any such real property subject to an
8 existing ground lease or subject to an existing agreement granting a third
9 party the right or option to a ground lease. After formation, the
10 boundaries of the district shall be altered only as the Arizona board of
11 regents acquires and disposes of real property. A district may be
12 established under this subsection in the same county in which a district
13 is established under subsection A of this section. A district formed
14 pursuant to this subsection is deemed a county stadium district for the
15 purposes of this chapter.

16 D. The county board of supervisors shall be the board of directors
17 of a countywide district established under subsection A of this section.

18 E. The board of directors of a district established under
19 subsection B of this section shall consist of persons who are residents of
20 the county in which the district is located, at least four of whom must
21 reside in the municipality in which the district is located and who are
22 appointed as follows:

23 1. Five members who are appointed by the governor, each of whom
24 must have experience in commercial real estate, construction,
25 redevelopment, real estate law, architecture, economic development or
26 commercial or public finance. The governor may receive nominations for
27 appointment from any interested organization or person. Members appointed
28 by the governor serve at the pleasure of the governor.

29 2. Two members who are appointed by the president of the senate.
30 The members appointed by the president serve at the pleasure of the
31 president.

32 3. Two members who are appointed by the speaker of the house of
33 representatives. The members appointed by the speaker serve at the
34 pleasure of the speaker.

35 F. The board of directors of a district established under
36 subsection C of this section shall be established pursuant to an
37 intergovernmental agreement between the county and the Arizona board of
38 regents.

39 G. The directors of any district are not eligible for compensation
40 for their services but are eligible for reimbursement for their necessary
41 expenses in attending to and traveling on district business.

42 H. The board of supervisors may pay the necessary costs incurred in
43 connection with establishing a countywide district from any county monies
44 available for that purpose. The municipalities may pay their
45 proportionate share of the necessary costs incurred in establishing a

1 district formed by two or more municipalities under subsection B of this
2 section from any monies available for that purpose. The Arizona board of
3 regents may pay the necessary costs incurred in connection with
4 establishing a district under subsection C of this section from any monies
5 available for that purpose.

6 I. Subject to limitations imposed by this chapter, by
7 intergovernmental agreement and by the ordinance or resolution authorizing
8 the formation of the district, the district is a tax levying public
9 improvement district and a political taxing subdivision of this state and
10 has all the powers, privileges and immunities granted generally to
11 municipal corporations for the purposes of implementing this chapter,
12 including eminent domain, as provided by section 48-4203, subsection A,
13 paragraph 7, and immunity of its property, bonds and interest on and
14 transfer of its bonds from taxation.

15 J. NOTWITHSTANDING ANY OTHER LAW, ON THE TERMINATION OF A DISTRICT
16 ESTABLISHED UNDER SUBSECTION B OF THIS SECTION, THE BOARD OF DIRECTORS
17 SHALL DISPOSE OF THE DISTRICT'S REAL PROPERTY AND IMPROVEMENTS AS FOLLOWS:

18 1. IF THE DISTRICT LEASES PROPERTY TO A SINGLE LESSEE, THE LESSEE
19 HAS THE FIRST RIGHT TO ACQUIRE TITLE TO THE PROPERTY AT ITS APPRAISED
20 VALUE. THE BOARD SHALL TRANSMIT ALL PROCEEDS FROM THE TRANSACTION TO THE
21 STATE TREASURER FOR DEPOSIT IN THE PUBLIC SAFETY PERSONNEL RETIREMENT FUND
22 ESTABLISHED PURSUANT TO TITLE 38, CHAPTER 5, ARTICLE 4 FOR THE PURPOSE OF
23 PAYING THE UNFUNDED ACCRUED LIABILITY UNDER THE PUBLIC SAFETY PERSONNEL
24 RETIREMENT SYSTEM.

25 2. IF THE DISTRICT LEASES PROPERTY TO MULTIPLE LESSEES, EACH LESSEE
26 HAS THE RIGHT TO OFFER A BID TO PURCHASE THE ENTIRE PROPERTY AT FAIR
27 MARKET VALUE, AND THE BOARD SHALL ACCEPT THE BID THAT WILL TRANSFER AND
28 TERMINATE THE DISTRICT'S TITLE TO THE PROPERTY. THE BOARD SHALL TRANSMIT
29 ALL PROCEEDS FROM THE TRANSACTION TO THE STATE TREASURER FOR DEPOSIT IN
30 THE PUBLIC SAFETY PERSONNEL RETIREMENT FUND ESTABLISHED PURSUANT TO TITLE
31 38, CHAPTER 5, ARTICLE 4 FOR THE PURPOSE OF PAYING THE UNFUNDED ACCRUED
32 LIABILITY UNDER THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM.

33 3. IF THE PROPERTY IS NOT CONVEYED PURSUANT TO PARAGRAPH 1 OR 2 OF
34 THIS SUBSECTION WITHIN SIX MONTHS AFTER THE BOARD OF DIRECTORS OFFERS IT
35 FOR DISPOSAL, BUT NOT LATER THAN THE TERMINATION OF THE DISTRICT,
36 WHICHEVER OCCURS FIRST, THE PROPERTY ESCHEATS TO THE STATE LAND TRUST FOR
37 THE BENEFIT OF THE PERMANENT STATE SCHOOL FUND PURSUANT TO ARTICLE XI,
38 SECTION 8, CONSTITUTION OF ARIZONA, AND SECTION 37-521.

39 Sec. 3. Section 48-4203, Arizona Revised Statutes, is amended to
40 read:

41 48-4203. Powers and duties of board of directors; report;
42 conflict of interest

43 A. The board of directors, on behalf of the district, may:

44 1. Adopt and use a corporate seal.

45 2. Sue and be sued.

1 3. Enter into contracts, including intergovernmental agreements
2 under title 11, chapter 7, article 3, as necessary to carry out the
3 purposes and requirements of this chapter. The district may contract with
4 a county sports authority established under title 11, chapter 5 to carry
5 out any power of the district.

6 4. Adopt administrative rules as necessary to administer and
7 operate the district and any property under its jurisdiction.

8 5. Adopt rules that allow weighted voting by board members and
9 establish conditions for terminating the district.

10 6. Employ an executive director and administrative and clerical
11 employees, or contract for other management personnel, and prescribe the
12 terms and conditions of their employment as necessary to carry out the
13 purposes of the district.

14 7. Acquire by any lawful means and operate, maintain, encumber and
15 dispose of real and personal property and interests in property. A
16 district established under section 48-4202, subsection A may acquire real
17 property by eminent domain. A district established under section 48-4202,
18 subsection B shall not acquire real property by eminent domain. A
19 district established under section 48-4202, subsection C shall not acquire
20 or own real property or interests in real property.

21 8. Administer trusts declared or established for the district,
22 receive and hold in trust or otherwise property located in or out of this
23 state and, if not otherwise provided, dispose of the property for the
24 benefit of the district.

25 9. Retain legal counsel and other consultants as necessary to carry
26 out the purposes of the district.

27 B. The board of directors, on behalf of a district established
28 pursuant to section 48-4202, subsection B, may:

29 1. Use revenues paid to the district pursuant to section 42-5031
30 and other revenues the district may receive from other sources, for the
31 purposes set forth in section 48-4204, subsection B.

32 2. Enter into agreements with developers, contractors, tenants and
33 other users of all or part of a multipurpose facility as determined
34 appropriate.

35 3. Pledge all or part of the revenues described in section 42-5031,
36 subsection B to secure the district's bonds or other financial obligations
37 issued or incurred under this chapter for the construction of all or part
38 of a multipurpose facility.

39 C. The board of directors of a district established pursuant to
40 section 48-4202, subsection B shall provide public outreach and education
41 on the purpose and activities of the district, including:

42 1. Presentations to the governing bodies of the municipalities in
43 the county in which the district is located.

44 2. Presentations to community, civic and business organizations.

1 3. Printed or electronic materials that support the purposes of
2 this subsection.

3 D. The board of directors shall:

4 1. Appoint from among its members a chairman, a secretary and such
5 other officers as may be necessary to conduct its business. The board of
6 directors may appoint the chief financial officer of the county as the
7 district treasurer of a countywide district established under section
8 48-4202, subsection A. If the board does not appoint the chief financial
9 officer, the county treasurer is designated ex officio as the
10 treasurer. The board of directors of a district that is established
11 pursuant to section 48-4202, subsection B shall designate a member of the
12 board with financial management or accounting experience or a person with
13 whom the board has contracted for financial management as treasurer of the
14 district. The county treasurer is designated ex officio as the treasurer
15 of a district that is established pursuant to section 48-4202,
16 subsection C.

17 2. Keep and maintain a complete and accurate record of all its
18 proceedings. All proceedings and records of the board shall be open to
19 the public as required by title 38, chapter 3, article 3.1 and title 39,
20 chapter 1.

21 3. Provide for the use, maintenance and operation of the properties
22 and interests controlled by the district.

23 E. The board of directors of a district that is established
24 pursuant to section 48-4202, subsection B shall:

25 1. Determine by agreement the distribution of revenues from
26 operating and using the multipurpose facilities among the municipalities
27 and any participating Indian tribe or community.

28 2. Report to the legislature by October 1 of each year regarding
29 the activities, operations, revenues and expenditures of the district for
30 the immediately preceding fiscal year. The board shall submit the annual
31 report to the president of the senate and the speaker of the house of
32 representatives and provide a copy of the report to the secretary of
33 state. At the discretion of the chairpersons of the senate finance
34 committee and the house of representatives ways and means committee, or
35 their successor committees, the committees may hold separate or joint
36 hearings to consider the annual report prepared by the district.

37 3. PRESENT TO THE JOINT LEGISLATIVE COMMITTEE ON CAPITAL REVIEW
38 EACH PROJECT FOR THE CONSTRUCTION OR RECONSTRUCTION OF ANY FACILITY,
39 STRUCTURE, INFRASTRUCTURE OR OTHER IMPROVEMENT TO REAL PROPERTY OF ANY
40 KIND IN AN AMOUNT EXCEEDING FIVE HUNDRED THOUSAND DOLLARS.

41 F. The directors, officers and employees of the district are
42 subject to title 38, chapter 3, article 8 relating to conflicts of
43 interest.

44 G. This state and political subdivisions of this state other than
45 the district are not liable for any financial or other obligations of the

1 district and the financial or other obligations do not constitute a debt
2 or liability of this state or any political subdivision of this state,
3 other than the district.

4 Sec. 4. Section 48-4204, Arizona Revised Statutes, is amended to
5 read:

6 48-4204. Constructing and operating a stadium and other
7 structures; regulating alcoholic beverages

8 A. From the taxes and surcharges levied pursuant to article 2 of
9 this chapter for use with respect to major league baseball spring
10 training, the district may acquire land and construct, finance, furnish,
11 maintain, improve, operate, market and promote the use of existing or
12 proposed major league baseball spring training facilities or stadiums and
13 other structures, utilities, roads, parking areas or buildings necessary
14 for full use of the training facilities or stadiums for sports and other
15 purposes and do all things necessary or convenient to accomplish those
16 purposes. The board shall require that any project undertaken by the
17 district include financial participation from the county or municipality
18 in which the project is located, from a private party or from any
19 combination of these entities ~~which~~ THAT equals or exceeds one-half of the
20 amount to be expended or distributed by the district. Capital improvement
21 funds expended ~~at any time after June 1, 1991~~ by a county, municipality or
22 private party for a purpose authorized by this section may be deemed
23 financial participation with respect to any project the district may
24 undertake.

25 B. From the taxes and charges levied or identified pursuant to
26 section 48-4237 for use with respect to multipurpose facilities and from
27 other monies lawfully available to the district, the district may acquire
28 land and construct, finance, furnish, maintain, improve, operate, market
29 and promote the use of multipurpose facilities and other structures,
30 utilities, roads, parking areas or buildings necessary for full use of the
31 multipurpose facilities and do all things necessary or convenient to
32 accomplish those purposes. Public ~~funds~~ MONIES identified in section
33 48-4237, including ~~funds~~ MONIES distributed pursuant to section 42-5031,
34 may only be used for the components for a multipurpose facility that are
35 owned by the district or that are publicly owned or for the following
36 purposes:

37 1. Debt service for bonds issued by the district before January 1,
38 ~~2009~~ 2025.

39 2. Contractual obligations incurred by the district before June 1,
40 ~~2009~~ 2025.

41 3. Fiduciary, reasonable legal and administrative expenses of the
42 district.

43 4. The design and construction of the hotel and convention center
44 located on the multipurpose facility site.

1 C. For the public ~~funds~~ MONIES identified in section 48-4237,
2 including ~~funds~~ MONIES distributed pursuant to section 42-5031, and from
3 which the district board has planned an expenditure of five hundred
4 thousand dollars or more, the following apply:

5 1. Each district board member shall provide advance notice of the
6 consideration of the expenditure by the board to the person who holds the
7 office that is responsible for that board member's appointment.

8 2. The notice prescribed in paragraph 1 of this subsection must be
9 provided by regular mail delivered to the office that is responsible for
10 that board member's appointment and may be preceded by any other form of
11 notice. The notice must be provided at least two weeks before the date of
12 the meeting and must be posted to the district's website on the day the
13 notice is mailed.

14 3. The notice prescribed in paragraph 1 of this subsection must be
15 accompanied by the board member's written statement as to whether the
16 board member has any financial interest in the subject of the proposed
17 expenditure by the board. The board members' written statements may be
18 provided in a single document that is prepared by the board's
19 administrative personnel but must be signed by the board members and must
20 be posted to the district's website with the notice prescribed in
21 paragraph 1 of this subsection.

22 4. The district board may not artificially divide or fragment
23 planned expenditures so as to circumvent the requirements of this
24 subsection.

25 D. A district established pursuant to section 48-4202, subsection B
26 may not use monies distributed pursuant to section 42-5031 for the
27 salaries or compensation of any employee of the municipality in which the
28 district is located.

29 E. Pursuant to an intergovernmental agreement with the Arizona
30 board of regents, from the revenues collected from assessments pursuant to
31 section 48-4235 for use with respect to Arizona board of regents owned
32 intercollegiate athletic facilities, the district may construct,
33 reconstruct, finance, furnish, maintain and improve existing
34 intercollegiate athletic facilities located on Arizona board of regents'
35 property, including utilities, roads, parking areas or buildings necessary
36 for full use of the athletic facilities.

37 F. Title 34 applies to the district, except that regardless of the
38 funding source for design and construction of facilities and structures
39 the district may establish alternative systems and procedures, including
40 the use of the design-build method of construction or the use of
41 qualifications-based selection of contractors with experience in stadium
42 design or construction, to expedite the design and construction or
43 reconstruction of any of its facilities or structures or any facilities or
44 structures leased to it or used by it pursuant to an intergovernmental
45 agreement. For the purposes of this subsection:

1 1. "Design-build" means a process of entering into and managing a
2 contract between the district and another party in which the other party
3 agrees to both design and build a structure, a facility or other items
4 specified in the contract.

5 2. "Qualifications-based selection" means a process of entering
6 into and managing a contract between the district and another party in
7 which the other party is selected by the district on the basis of the
8 party's qualifications and experience in designing or constructing
9 facilities, structures or other items similar to those the district is
10 authorized to construct or lease. The other party may be selected by
11 direct selection or by public competition.

12 G. For the purposes of financing, designing, constructing,
13 reconstructing or operating facilities or structures, the district is not
14 the agent of any municipality, this state or any agency or instrumentality
15 of this state participating in the funding of such facilities or
16 structures.

17 H. Subject to the requirements of title 4, the board of directors
18 may permit and regulate the sale, use and consumption of alcoholic
19 beverages at events held on property acquired, leased or subleased under
20 this article.


APPROVED BY THE GOVERNOR APRIL 5, 2018


FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 5, 2018

Passed the House February 22, 20 18

by the following vote: 38 Ayes,

17 Nays, 5 Not Voting



Speaker of the House
☐ Pro Tempore



Chief Clerk of the House

Passed the Senate March 29, 20 18

by the following vote: 21 Ayes,

9 Nays, 0 Not Voting


President of the Senate



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

2nd day of April, 20 18

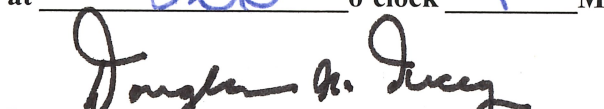
at 1:41 o'clock P. M.


Secretary to the Governor

Approved this 5th day of

April 2018

at 3:08 o'clock P. M.

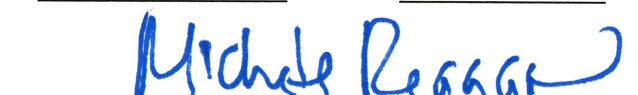

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 5 day of April, 20 18

at 4:41 o'clock P. M.


Secretary of State

H.B. 2456